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ABSTRACT

Literature and congressional testimony are reviewed in this examination of the political and social dimensions surrounding the passage of Title III (Higher Education Act of 1965) and its subsequent interpretation through the 1970's. The report first examines the intent of the bill, which was designed to provide financial assistance to developing institutions of higher education, and then discusses the movement for the recognition and improvement of Black colleges which, during the 1950's and 1960's, set the stage for the bill's passage. Problems encountered since 1965 in interpreting the phrase "developing institution" are then discussed, including the debate over whether to include community colleges, the insistence of many Black leaders that priority be given to small, four-year colleges, and the various criteria recommended and/or used to determine institutional eligibility. Next, the report examines alleged abuse of the Title III program, including funding control inadequacies and inconsistent selection procedures pointing to favoritism. Recommendations put forward by the Carter administration for the improvement of the Title III program are then presented, followed by a discussion of the definitions for a "developing institution" proposed by Black leaders, community college spokespersons, and Hispanic advocacy groups during 1979-80 congressional hearings. (JP)

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HISTORICAL AND POLITICAL DIMENSIONS OF TITLE III-- STRENTHENING DEVELOPING INSTITUTIONS OF THE HIGHER EDUCATION ACT OF 1965

BY

LAURA I. RENDÓN

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HISTORICAL AND POLITICAL DIMENSIONS OF TITLE III--
STRENGTHENING DEVELOPING INSTITUTIONS OF THE
HIGHER EDUCATION ACT OF 1965

Given a myraid of political, economic and social constraints, how great can the federal government's commitment to education be? Perhaps President Lyndon Baines Johnson's words from his Inaugural Address, January 20, 1965, can cast a route towards the answer:

> In a land of great wealth, families must not live in hopeless poverty.
> In a land rich in harvest, children just must not go hungry.
> In a land of healing miracles, neighbors must not suffer and die untended.
> In a land of learning and scholars, young people must be taught to read and write.

The national mood in the mid-1960s when President Johnson delivered his Inaugural Address was interchangeably one of pride and optimism and one of shame and frustration. On the one hand, the United States was engaged in a space race with Russia and exaltingly celebrated such space milestones as the flights of Alan B. Shephard, Jr., Virgil Grissom, John Glenn, Scott Carpenter, Walter M. Schirra, and Leroy Gordon Cooper. Americans looked forward to the United States successfully landing a man on the moon, and took pride in scientific and technological accomplishments. On the other hand, unresolved civil rights inequities and rising poverty gave way to heated violence climaxed by an intrepid, yet peaceful, demonstration on August 28, 1963, in Washington, D.C., where Black leader, Dr. Martin

Luther King delivered his now famous "I have a dream" speech. In addition, international tensions created by the 1961 break in diplomatic relations with Cuba and the growing conflict in Vietnam were sources of alarm and dismay. President Kennedy's abrupt death at the hands of an assasin shocked and angered Americans who grieved at once for their lost President and for their diminished faith in the benevolence of humanity (United States Presidents, 1969:275-76).

Amidst this spasmodic scenario President Johnson, in his first State of the Union Message, January 8, 1964, pleaded with Congress: "Let us carry forward the plans and programs of John Fitzgerald Kennedy--not because of our sorrow or sympathy, but because they are right." Throughout his administration, President Johnson took the leadership to create legislation designed to build a "Great Society" and pushed through legislation for Civil Rights, anti-poverty, medicare, increased social security benefits and greater federal aid to schools and colleges.

The Thrust of President Johnson's commitment to carry on the unfinished work of President Kennedy's plans to improve the quality of American life through education was clearly discernable in his second State of the Union Message of January 4, 1965, when he recommended new programs for schools and students with a first-year authorization of $1.5 million directed at pre-schoolers and needy children who needed to advance their learning. For higher education,

the President proclaimed: "For the college years we will provide scholarships to high school students of the greatest promise and the greatest need and guaranteed low-interest loans to students continuing their studies." To fulfill that mandate, Congress passed a higher education package incorporated in the Higher Education Act of 1965. This measure was the fifth milestone outlining the role of the federal government in higher education. Its percursors were the Land Grant College Act passed in 1862; the G.I. Bill, passed after World War II; the National Defense Education Act of 1958; and the Higher Education Facilities Act of 1963 (Shorten, 1979: 4-5). The initial Higher Education Act of 1965 provided federal aid for community service and continuing education programs, for college library programs, for student aid to college and for teacher training. And for the first time, the 89th Congress came to grips with awarding federal aid for strengthening developing institutions under Title III of this Act (Senate Hearings, 1965).

Since its inception in 1965, Title III--Strengthening Developing Institutions, has been an issue of emotionalism and controversy. Critics have attacked its vague definition, its ambiguous sense of purpose, and its dubious success. Yet, Title III remains at present the only really viable source of federal support to small colleges with heavy minority enrollments. In view of the controversial nature of Title III, this paper will examine the historical

perspectives of Title III, the political dimensions surrounding the passage of Title III, and the subsequent impact of this measure on the colleges it was intended to assist.

In 1965 Title III authorized $55,000,000 to assist developing institutions:

> Sec. 301(a) The purpose of this title is to assist in raising the academic quality of colleges which have the desire and potential to make a substantial contribution to higher education resources of our Nation but which for financial and other reasons are struggling for survival and are isolated from the main currents of academic life, and to do so by enabling the Commissioner to establish a national teaching fellow program and to encourage and assist in the establishment of cooperative arrangements under which these colleges may draw on the talent and experience of our finest colleges and universities, and on the educational resources of business and industry in their effort to improve academic quality.

The roots of Title III can be traced to actions taken by students on the campuses of predominantly Negro colleges in the late 1950s. These students led the impetus towards the contemporary phase of the Civil Rights Movement and caused the major philantropic foundations to reconsider their policy of withholding aid from predominantly Negro colleges. The students felt that the policy was made on the assumption that the 1954 Supreme Court desegregation decision would lead to the demise of the predominantly Negro college. Demonstrations by Negro college students

were attempts to show that these colleges did have a substantial contribution to make in American higher education (Howard, 1967: viii-ix). In 1962 when President Kennedy's Science Advisory Panel was reviewing the problems confronting education in America, it became apparent to members John Fisher, Francis Keppel and Steve White that Negro education was a major problem area. Consequently, a group of Negro college presidents including Martin Tenkins, Luther Foster, Steve Wright and Sam Nabrit were invited to Washington to better define the problem and to seek means for its resolution. The main thrust of the meeting was how higher education in the North might be linked to the South for the betterment of the Negro colleges. The meeting resulted in a paper prepared by Zacharias, Nabrit and White. The paper proposed setting up two large-scale consortiums, one in the North and one in the South. An instrument in the middle of these two areas would try to relate the resources of the strong universities in the North to the Negro colleges in the South (Singer, 1967: 19-20). The paper also outlined severe problems facing Negro colleges: financial deprivation; lack of books, equipment and space; under-prepared students; high dropout rates; and inadequately prepared faculty. But the paper also pointed out that despite the grim scenario, there were optimistic factors as to why these colleges should survive. Among these factors included the fact that there were many first-class

students attending Negro colleges and many first-rate faculty to instruct them. Moreover, these institutions were providing leadership, morale and esprit for the Negro community and were eager to improve their conditions through educational innovation and through cooperative partnerships with Northern institutions (Nabrit, White, Zacharias, 1967; 25-31).

By October of 1963, the American Council on Education President Logan Wilson had promised the President that ACE would further the cause of educational opportunity and appointed a Committee on Equality of Educational Opportunity. The ACE, in October of 1963, also invited about 40 selected educational leaders to Washington to plan a national program to improve opportunities for Negroes in higher education. After the President and ACE endorsed interinstitutional relationships between Northern universities and predominantly Negro colleges, a number of cooperative programs sprang into being: Cornell joined with Hampton, Michigan with Tuskegee, Brown with Tongaloo, Indiana with Stillman, Southern Illinois with Winston-Salem State, Tennessee with Knoxville, and Florida State with Florida A & M. Also, Wisconsin worked simultaneously with A & T College, North Carolina College and Texas Southern. Major educational organizations and private foundations, such as the Educational Services Incorporated also gave their support to cooperative programs (Gloster, 1967: 61-64).

With the passage of the Higher Education Act of 1965, universities and developing colleges received financial support for cooperative arrangements under Title III--Strengthening Developing Institutions. Title III was considered unique in at least two respects:

> (1) It was the only federal aid to higher education which had the support of cooperation among institutions as a primary purpose.
>
> (2) It was directed at a group of institutions which in the past had little or no chance of receiving aid from the federal government or from private benefactors (Player, 1967: 6-7).

According to Willa B. Player, then director of the Division of College Support, Bureau of Higher Education, Title III was intended for developing institutions who possessed many of the characteristics which had previously been deterrents in securing financial assistance.

> To avoid the appearance of a welfare program--avoiding embarrassment for institutions seeking aid--and to encourage wise expenditure of federal funds, the Congress wisely included some other qualifications in the Act. Developing institutions should have the desire and potential to make a significant contribution to the resources of our nation. They should be accredited or close to accreditation and at least five years old (Player, 1967: 7).

But the term, "developing institution" has continued to be a serious point of controversy that has riddled Congress

even today and will be examined in greater detail at a later section in this paper. James Miller who conducted an examination of the impact of Title III programs in 1970, believed that the ambiguous language surrounding the purpose was in part due to the feeling that some of the more prestigious, predominantly black colleges were concerned about their image; they did not want to come across as "weak" or lesser quality than white institutions. They felt that the term "developing" would encourage all kinds of colleges to apply (Miller, 1980). Indeed, Title III was originally authorized for only one year because the Senate insisted on making junior colleges eligible as developing institutions and the House was opposed (Congress and the Nation, 1969-1972: 11)

The original sponsors of Title III were House Representatives Edith Green and Albert H. Quie. The House Hearings held on February 6, 1970, focused on the eligibility of institutions that could qualify as "developing":

> Congresswoman Green: It was certainly the original intent when we said developing institutions that it was primarily for Negro colleges that did have absolute facilities. Then we found out that all the community colleges in the country wanted to be identified as developing institutions, and this watered down the purpose of the legislation and certainly decreased the effectiveness, at least as I see it.

Congresswoman Green was correctly referring to Senate Hearings before the Subcommittee on Education of the Commit-

tee on Labor and Public Welfare held in March and June of 1965 to consider S. 600, the Higher Education Act of 1965, introduced by Congresspersons Wayne Morse (for himself, Mr. Bartlett, Mr. Brewster, Mr. Clark, Mr. Douglas, Mr. Fong, Mr. Groeing, Mr. Hartke, Mr. Kennedy of Massachusetts, Mr. Kennedy of New York, Mr. Long of Missouri, Mr. Mansfield, Mr. McCarthy, Mr. McGovern, Mr. Mondale, Mr. Moss, Mr. Muskie, Mrs. Neuberger, Mr. Proxmire, Mr. Randolph, Mr. Ribicoff, Mr. Williams of New Jersey, Mr. Yarborough and Mr. Young of Ohio). Initially, the House had authorized $30,000,000 for "the fiscal year ending June 30, 1966 and such sums as may be necessary for each of the succeeding fiscal years, to carry out the provision of this Title."

However, the Senate heard emotional appeals, both pro and con, to include community colleges as developing institutions. Pro arguments from community college advocates emphasized that community colleges (1) aided in meeting the gap which lied between the high schools and the universities; (2) supplemented training given in high schools; (3) could free the universities from offering remedial courses; (4) offered vocational training not being offered otherwise. The American Association of Junior Colleges felt aid was needed because these institutions had high enrollments, were growing at a fast pace and needed to recruit teachers. They wanted a provision to include funds for preparing teachers to work in junior college edu-

cation. The Senate was asked to consider what college was not a developing institution--all seemed to have similar needs (Senate Hearings, 1965). The most staunch supporters of excluding community colleges came, of course, from Black leaders who argued that first priority should be given to small colleges to improve their capacity to receive increasing numbers of students and to attract top flight faculty (Senate Hearings, 1965). U.S. Commissioner of Education, Francis Keppel, explained that community colleges were omitted

> . . . because the intent of that portion of the bill was more focused on certain four-year colleges. . . . We must consider that 10 percent that are not accredited, the fact that former acts of Congress, including the Higher Education Facilities Act, has already provided special support for the community-junior colleges. . . . Also scholarships /under the Act/ are not limited to four-year colleges (Senate Hearings, 1965).

Other pertinent issues discussed in the 1965 Senate Hearings included support for cooperative arrangements between developing institutions and stronger, long-established colleges, the need to have college preparatory programs for Negroes and the need to improve predominantly Negro colleges and universities in transition. The provocative testimony of Vice Admiral G. H. Richover, who had written a highly critical book, American Education, A National Failure, presented a more elitist, meritocratic philosophy. Responding

to Senator Morse's query regarding aid for developing institutions of higher education through faculty exchange, Admiral Rickover reflected his philosophy:

> First, as to the possibility of a high-level university helping a less developed institution, this too I discussed at length with a number of eminent university professors. There was a general agreement that to work at all, the institutions must not be far apart scholastically. It would be difficult for, let us say, an Ivy League university to be helpful in this manner to a college with low academic standards. For one thing, it would be almost impossible to persuade first-rate Ivy League professors to go to a college having low standards. Their special talent would, moreover, not be put to full use there, for it is predicted on working with a highly gifted and well educated student body. Human beings are not at all interchangeable . . . .
>
> There are certain areas where mutual help could be fruitful. The better institutions could offer more summer courses where the faculty of poorer institutions might upgrade themselves. They could encourage their own able students to become teachers for a while in the poorer institutions. . . .
>
> But I cannot stress too much that if one institution is to take a proprietary or paternal interest in another, the two must not be too far apart scholastically--they must have more in common than one educational label (Senate Hearings, 1965).

The Senate deliberations resulted in changing the House recommended appropriation of $30,000,000 to $55,000,000 for only the fiscal year ending June 30, 1966. The Senate included a 22 percent set-aside for non-baccalaureate degree granting institutions and 78 percent for baccalaureate de-

gree granting institutions. The provision also included cooperative arrangements such as faculty and student exchange programs with more established colleges, curriculum development, and national teaching fellows for graduate students and junior faculty members who wished to strengthen the developing colleges' faculties. Title III also established an Advisory Council on Developing Institutions to advise the Commissioner of Education with policy matters and with the identification of developing institutions. See Appendix A for the text of the Title III provision (1972 version).

In 1980 the Title III provision has become the persistent target of much controversy. The Act was amended by Congress in 1966, 1968 and 1972 and is up for reauthorization in 1980. In order to analyze the historical dimensions of the political activity surrounding the Title III during the 15 years since its inception, attention must be given to subsequent House and Senate Hearings as well as to evaluation reports submitted by contracted individuals to examine the impact of Title III on developing institutions.

Beginning in 1968, Title III was reauthorized at $55,000,000. The ambiguous intent of the provision as well as the definition of "developing institutions" were continuously debated throughout the late 1960s. In the 1967 Hearings before the Special Subcommittee on Education of the Committee on Education and Labor, House of Representatives, then Associate Commissioner for Higher Education Peter

Murihead responded to the question, "What is a developing institution?" by saying, "The developing institution program is not directed at providing help to starting institutions." Murihead further stated that his office had relied on the assistance of the provided for in Title III Advisory Council for guidance in the establishment of guidelines: "It has seemed wise to avoid a strict definition of developing institutions which might preclude assistance to a number of institutions defining themselves as developing" (House Hearings, 1967). Congressman Albert Quie stated that he had the idea that Title III was to be used primarily to upgrade the four-year Negro colleges in the South, but that the original intent had shifted because the opinion of the House was not shared by the Senate and because the Senate insisted on including two-year colleges (House Hearings, 1967). The Higher Education Amendment of 1968 authorized professor emeritus grants under Title III, and allowed professors retired from developed institutions to teach at developing institutions to fulfill a specific need (Shorten, 1979).

By 1969 the egalitarian concept of equal opportunity and access for minorities and women had found great favor in Congress. The emotional appeal of Blacks for increased federal aid to predominantly Black institutions surged. Testimony from Black leaders such as Dr. Herman H. Long, President of Taladega College and Dr. Paul Smith, American Personnel and Guidance Association representative, focused

both on the pride and plight of Black colleges. Black colleges had graduated most of the Black leaders; they provided equal opportunity and increased access. It was felt that these colleges could also train more Blacks for government, business and industry, but that they needed increased funds to build up their programs (House Hearings, 1969-70). On May 5, 1970, Dr. Clark Kerr, Chairman of the Carnegie Council on Higher Education, outlined four major priorities for federal education legislation: equality of educational opportunity, equality of access, expanding the education of health-related professions, and establishing a federally-funded National Foundation for the Development of Higher Education to increase research (House Hearings, 1969-70).

By 1970 President Nixon had proposed a system of student aid for post-secondary education in order to increase equal opportunity. He also emphasized career education, with community colleges bearing the primary responsibility for training adults in versatile skills and the establishment of a National Foundation on Higher Education designed to promote excellence and innovation in higher education. In the House there was some concern about increased violence on college campuses. HEW Secretary Robert Finch related that making cuts on institutions with student unrest was not the right way to go because studies that made recommendations for constructive changes to ease campus tensions were

being conducted (House Hearings, 1969-70).

In 1971, the House considered increasing the Title III appropriations to $120,000,000. In his March 21, 1971 testimony, HEW Secretary Elliot Richardson outlined President Nixon's proposal that no qualified student should be barred from post-secondary education because of financial need. He asked the House to increase aid to students from low-income families, assuring equal rights for women and minorities (House Hearings, 1971). By this time the Higher Education Act was six years old and several issues, some old and some new began to emerge. In addition, the method of awarding grants took a new turn. Institutions could apply for either of two types of grants:

(1) Basic Institutional Development Program--(BIDP), one-year, renewable grant

(2) Advanced Institutional Development Program--(AIDP), multiple-year grant

An interview with 1972 Deputy Commissioner of Education Joseph Cosand (May, 1980) revealed some of the pertinent concerns of Title III at that time.

> Question: During your tenure as U.S. Deputy Commissioner of Education in 1972, when was an institution considered to be developing or not developing?

Cosand: This was one of the major criticisms even back before the other part of Title III was added in 1972. It was bandied about in different committees of Congress, they held hearings about when is an institution developed; please tell us how do you know an institution is developed? And that is when the criticism really got started so badly that monies were given out every year to the same institutions. That has nothing to do with developing. It has everything to do with operational costs. And the rebuttal of this from the Title III people and the colleges was that we haven't developed yet, that we still are weak; we haven't had the funds that so-called white institutions have had and that its going to take a long time, maybe, if ever, to make up for the accummulation of underfunding. . . . These funds that have been coming in almost, although I'm sure they didn't say this directly, but the implication was that they've helped us to keep struggling, to keep surviving; that without these funds we simply will go downhill. We're not necessarily going uphill; we may be plateauing. They were very emotional about the continued availability of these small funds that could go to the majority, almost all of the traditionally black colleges. They got small, yearly grants.

Question: How active were Congresspeople in influencing the number of grants that were awarded and the actual funding for colleges?

Cosand: You didn't hear too much about it from Congresspeople. The person who took the leadership in 1972 on the two funds--the original fund (BIDP) and then the AIDP which were equal in amounts but with different philosophical backgrounds--was HEW Secretary Elliot Richardson. BIDP tended to go to many institutions with small amounts and these were granted every year. AIDP funds were alloted for multiple years--around three--and amounted to a sizeable fund compared to what the originals were. For example, many of these funds were in excess of one million dollars and might be granted

for three years . . . to improve instruction and to improve administration. AIDP funds were to be granted to institutions which had shown in the use of other funds that they really were qualified to absorb this bigger fund. In other words, that the bigger fund wouldn't be wasted, that they were able to handle it, that they would administratively be able to handle it, that the faculty was there to be able to handle it, and that rather than grant many of them, they would grant few of them . . . . Secretary Richardson emphasized over and over again that the purpose of these funds was to help institutions make a major effort to add improvement . . . that they were not to be given to struggling institutions, that they were to be given to institutions that had developed and since they had developed, they now could use the bigger amount of money. This created a real emotional situation.

Another point that Secretary Richardson emphasized was that these funds should go to institutions that had large numbers of minorities. And then, of course, you had to define a minority . . . . And so in trying to define a minority, you had Blacks, Puerto Ricans, Chicanos, Appalachians, Ozarkians, Hawaiians . . . . You mixed it all up. In fact, the Puerto Ricans weren't satisfied to have the Puerto Ricans studied in New York City--they should be studied in Puerto Rico; and the Chicanos were unhappy about the fact that you studied them in the Southwest, that you had a large number in Chicago and they were different in their needs. So there was this real hassle as to who gets the money. Most of the emotion came from the traditionally Black colleges because they saw in this a deviation from their grants every year. They wanted this AIDP money to be put in with the earlier Title III money and simply made one bigger lump sum, and that if you doubled the amount of money that you could have . . . they'd get twice as much.

Question: So the Black colleges were against AIDP?

> Cosand: They were against AIDP as set up. They felt that a few Black colleges, the better-off Black colleges, would get these large amounts of money. Their emotion went back to the Ford Foundation grant of several years ago . . . where the Ford Foundation gave $10 million or more to a very few, I think it was ten Black colleges. They saw in this AIDP grant a repetition of what the Ford Foundation had done--to give monies to a few Black colleges which were already pretty well off. The Black college presidents and I met with them several times, in a group and they were adamant in their opposition to the way AIDP monies were to be allotted. When we talked with them separately, they tended to be at times of a different opinion. Secretary Richardson, in meeting with Blacks along with me, said . . . these monies were to assist colleges enrolling large numbers of minority students. Now you know and I know today that this isn't necessarily true. Like Washtenaw (Community College) does not have a large number of minority students . . . . And so we had this conflict, for example, between the traditionally Black colleges and those colleges enrolling large numbers of Blacks. Those that enrolled large numbers of Black students, which were not the traditionally Black colleges did not see why these funds should go basically to the traditionally Black colleges. . . . This was true of the colleges enrolling a large number of Chicanos and large numbers of Puerto Ricans.

Between 1972 and the present, Title III was authorized for $120,000,000 with 76 percent going to four-year institutions and 24 percent to two-year institutions. In the March 29, 1979, House Hearings, U.S. Deputy Commissioner of Higher and Continuing Education, Dr. Alfred Moye, explained that funds could be used for projects designed to increase administrative efficiency, for faculty development,

to improve curriculum or to improve student services. The law required that each developing institution have at least one cooperative arrangement between the developing institution and a "mainstream" college or agency, organization or business entity that specialized in providing technical assistance to colleges. To qualify for funding, the institution must have been accredited for the five years preceding the year of application. Exceptions included institutions located on or near an Indian reservation or a substantial population of Native Americans, or those serving substantial numbers of Hispanic students. The institution had to be a four-year baccalaureate-granting college or a junior or community college.

Through FY, 1978, an institution's eligibility as a developing institution was measured by eight quantitative factors and three qualitative factors, Moye explained:

(1) Quantitative: full-time enrollment, percent of faculty with Master's degrees, average faculty salary, percent of students from low-income families, and several measures of institutional financial strength.

(2) Qualitative: retention rate of students and their rate of entrance into graduate school, the quality of an institution's administrative and professional personnel, and a measure of the institution's financial vitality.

Because these criteria were not successful in identifying developing institutions, in 1979 two new quantitative criteria would replace the old measures. New regula-

tions were adopted which consolidated the BIDP and AIDP into one single program, Strengthening Developing Institutions Program (SDIP). An institution would be evaluated upon the size of its average Basic Educational Opportunity Grant award per full-time undergraduate enrollment. Because this criterion measured the institution's service to low-income students, it would be given double weight. The second criterion would be the institution's cost per student in educational and general expenditures, which measured the institution's financial health.

Certainly, a major portion of the impetus towards these program modifications came about as a result of numerous program evaluations conducted by different individuals/agencies throughout the Title III history. Shorten (1979) identified the most significant of such studies:

(1) 1967--Lawrence C. Howard, The Developing College Program: A Study of Title III of the Higher Education Act of 1965

Suggested a revised application for funding. Also suggested that the program was under-administered and that evaluative assessment procedures needed to be implemented.

(2) 1970--James L. Miller, Jr., Gerald Gurin, and Mary Jo Clarke, Use and Effectiveness of Title III in Selected "Developing Institutions"

Recommended that (1) the funding strategy continue to emphasize moderate and large-size grants; (2) NTFs be deemphasized; (3) administrative improvement programs be

encouraged; (4) the concept of inter-cooperation be examined; (5) the addition of staff and that more site visits be encouraged.

(3) 1973--Columbia Research Associates, A Statistical Analysis of Title III Selection Criteria

Identified five areas which should be subjected to statistical evaluation: student enrollment, finances, faculty data, management and planning, and service area characteristics.

(4) 1973--Harold L. Hodgkinson, Walter Schenkel, A Study of Title III of the Higher Education Act: The Developing Institutions Program

Determined that (1) enrollment at developing institutions had generally doubled in a six-year period, 1965-1971, with most significant growth at the Black colleges; (2) low-income students were increasingly represented in developing institutions; (3) NTFs were widely used in faculty growth, with Black colleges doubling their number of earned doctorates in many cases, and reporting a significant increase in white faculty.

(5) 1974--General Accounting Office Report on Strengthening Developing Institutions

Recommended that (1) criteria to identify developing institutions be reconsidered; (2) criteria, after such review, should be modified or consistently applied; (3) participating institutions should state project goals in spe-

cific measureable terms and relate the impact of Title III efforts to institutional growth; (4) program regulations be further considered in making decisions toward grants; (5) program eligibility criteria be used or a means of evaluating overall program impact; (6) award notices be better timed; (7) site visitations be increased.

(6) 1975--A. D. Little Inc. A Study Design for Evaluation of Strengthening Developing Institutions Program

This study was not completed as contracts were terminated. It attempted to design and develop an anaytical framework for viewing Title III.

(7) 1975--George B. Weathersby, Harvard University Study

Identified four areas of college and university characteristics relating to broad Title III policies: (1) the structural development of colleges and universities; (2) the levels of various collegiate activities; (3) the relative efficiency with which the colleges and universities provide instruction and, where appropriate, public service and research; (4) the determinants of student demands with a special focus on those institutional actions which affect individuals' college-going choices.

While the portrait of Title III administration has not been completely bright, it has also not been completely dark. Several exemplary programs in different institutions

have demonstrated effective and/or innovative use of Title III resources. Some of the institutions included under Model AIDP Projects 1977-1978 are Alabama A & M University, Improving Basic Skills; Bosie State College, Cooperative Undergraduate Program in Engineering; Chicago State University, Corrections Program, Practicum in Graphic Designed Student Development Program; Hampton Institute, Faculty Development Center; Lincoln University, Career Service Center; Our Lady of the Lake University, Leadership Training Program; South Carolina State College, Basic Skills in English Program; St. Edward's University, Freshman Studies Program; Tuskegee Institute, Human Resources Development Center's Youth Service Program; St. Mary's University, Individualized Instruction.

The bill to reauthorize higher education programs through fiscal 1985, H.R. 5192, was introduced September 6, 1979 by Representatives William Ford, chairman of the House Post-secondary Education Subcommittee and John Buchanan, the panel's ranking minority member. The H.R. 5192 was co-sponsored by all the remaining committee members and Representative Carl Perkins, chairman of the House Education and Labor Committee. It was endorsed strongly by higher education leaders. H.R. 5192 is a "magnificent piece of work . . . landmark legislation that deserves the support of the entire higher education community," said Charles Saunder, vice president for governmental relations for the American Council on

Education (Higher Education Daily, September 10, 1979: 3).

Despite revisions and modifications of Title III and the outstanding model programs that have developed with Title III funds, the conflicts surrounding this issue have anything but subsided. With the reauthorization of the Higher Education Act up in 1980, the hearings on this reauthorization have brought these conflicts into the limelight. Much of the harshest criticism came from a General Accounting Office (GAO) Report. In the March 28, 1979 House Hearings, GAO Director Gregory T. Ahart testified that the first GAO Report to Congress in 1975 could not evaluate the success of Title III because the Office of Education (OE) had not defined a "developing institution" or determined when an institution would be considered developed. The GAO maintained that serious questions still remained about who the program should be assisting, how it should be organized and where it was going. Among the more specific criticisms revealed inconsistent selection procedures which also implied favoritism:

(1) Twenty-four percent of the BIDP field readers worked for institutions which applied for this program, contrary to OE's guidelines;

(2) Not all the AIDP program applications received field reader reviews;

(3) Many institutions which received large grants had received low funding recommendations from field readers, while many who received high field reader ratings did not receive grants;

(4) Institutions in a single large, multifunction consortium arrangement of predominantly Black, four-year colleges were recipients of the largest grants.

Funding control inadequacies received the most severe criticism. The GAO maintained that OE had not provided grantee institutions with adequate guidance for administering Title III grants which led to mismanagement of funds by institutions. Major problems included (1) inadequate support for grantees' payments to assisting agencies; (2) questionable charges to grants; (3) carrying over grant funds beyond authorized grant periods without OE approval; (4) inaccurate and misleading reporting of financial activities to OE. The GAO Report recommended the OE clarify the program's direction; reaffirm grantee selection procedures; strengthen controls over the expenditure of funds; better plan and account for services under funded projects; and develop effective performance evaluation procedures (House Hearings, March 28, 1979).

Further abuses of the beleaguered federal assistance program received wide attention. Calling Title III "the most politically sensitive program in the department," Fred

Will, director of the HEW's Office of Education claimed that some colleges with "a few very friendly Congressmen" had received funds due to their intervention. He was referring to more than 200 incidents involving Congresspeople who sought to influence HEW officials to award grants to their favored schools through a series of letters, phone calls and private meetings (Kurtz, 1979).

Two major investigations--one by a Senate overnight subcommittee and the other by the auditor of HEW were launched to begin a full-scale audit of a number of institutions that received SDIP funds. Specifically, the auditors were looking into the operations of several private assisting agencies paid by participating colleges to provide management and technical services. The subcommittee staff was also to investigate allegations that some officials in the OE were guilty of conflicts of interest and favoritism in administering the program (Middleton, 1979: 13). A target of criticism was a group of five Title III consulting firms that banded together to form TACTICS--Technical Assistance Consortium to Improve College Services. Several higher ranking OE officials were former TACTICS employees. Collectively, the five firms received over $4 million annually from Title III money. Other examples of abuses included a consulting firm using Title III funds to cover the cost of its moving expenses from New York to Washington, D.C. Title III money was also claimed to have been

used to have lunch at a topless resturant (Shorten, 1979: 67-68).

As a result of the GAO Report and the well publicized charges of flagrant abuse of Title III funds, the House debated the passage of the bill. The July 19, 1979 House testimony of Mary F. Berry, Assistant Secretary for Education emphasized President Jimmy Carter's commitment to aid historically Black and other developing colleges with a strong commitment to access with increased authorization from $120 to $250 million. The administration's proposal is outlined below.

TITLE III--STRENGTHENING DEVELOPING INSTITUTIONS

Current Law:	Proposal:
The authorization is $120 million.	Raise the authorization to $250 million.
Helps schools that are "struggling for survival" and "isolated from main currents of academic life."	Define eligible schools as those enrolling large numbers of low-income students, having inadequate resources and taking steps to improve their chances for survival.
Colleges are not required to develop long-range plans to receive Title III funds.	Require colleges to submit a comprehensive, long-range plan when applying for grants. Small one-year grants would be available to help institutions draft the plan, which would have to address the school's needs in improving academic programs and fiscal management. The plan would state "measurable objectives" to be used in monitoring progress made under the Title III grant.

There is no authority to promote matching Title III funds from the states and private sector.	Encourage states and private organizations to match federal funds on a 50-50 basis. States would contribute matching funds for public Title III schools, and the private sector would do the same for independent schools. Authorize $50 million for this matching or "challenge grant" program.
Duration of grants is not specified, although current regulations allow grants for up to five years.	Offer Title III applicants two choices: a one- to three-year grant and a chance to apply for another Title III grant or a larger one-time grant for up to seven years. Schools would have to specify measurable objectives to meet each year to get continued funding.

(Higher Education Daily Supplement, July 30, 1979: 2)

In the July 25, 1979, House Hearings, Dr. Alfred L. Moye, Deputy Commissioner for Higher and Continuing Education emphasized the administration proposal to better administer the Title III program. The proposals included (1) require Title III applicants to prepare a comprehensive development plan on part of their application; (2) eliminate categorical funding and substitute broader language which would give institutions more flexibility to tailor their proposals according to their needs; (3) make uniform waivers for Indian schools and those serving a large population of Spanish surnamed students; (4) increase the authorization level to $250 million; and (5) eliminate the provision in the current law requiring cooperative arrangements. Explaining the rationale for the last provision, Dr. Moye stated:

> While the original intent was no doubt based on the belief that these poor struggling institutions could use assistance from any big brother they could find, we find that while such arrangements may still be desirable in some circumstances, in others, artificial arrangements are entered into just to meet the letter of the law. We believe it is more desirable to make cooperative arrangements optional.

The debate on aid to developing institutions in the 1979-80 House Hearings was most emotional among Black leaders, community college spokespersons and Hispanic advocacy groups regarding the definition of a developing institution and how such funds should be appropriated to four-year, primarily Black colleges and to two-year community colleges. The administration's proposal and H.R. 5192 in the House Education and Labor Committee defined a developing institution as one whose student body included a substantial percentage of students from low-income backgrounds. Thomas Law, a Black leader representing the National Association for Equal Opportunity in Higher Education, which represents 105 traditionally Black institutions, enthusiastically supported the administration's proposal and asked that Title III funds be used to encourage college desegregation and to develop new approaches to serving low-income students. But the Hispanic Higher Education Coalition called the definition too narrow. Spokesman Alvin Rivera believed that "It is necessary to include in the definition of the purpose that the program will serve students who come from environ-

ments in which the dominant language is a language other than English." Rivera also called for increasing the funding set aside for community colleges from the current 24 percent to 40 percent (Higher Education Daily, October 9, 1979: 3; Middleton, 1979: 13).

The American Association of Community and Junior Colleges called for an increase in the two-year college set aside to 35 percent. Black leaders opposed this measure because it would result in a substantial aid cutback to Black schools (Higher Education Daily, August 29, 1979: 5). Community college groups claimed that these colleges served a disproportionate number of minority groups and that 40 percent of the students in two-year colleges came from low-income families. Testifying for the American Indian Higher Education Consortium, Richard Nichols emphasized that special criteria should be considered in making grants to Indian colleges and small rural colleges due to their geograpnic isolation, distance from supply centers and inadequate travel systems (Middleton, 1979: 13). The community college group also wanted the Advisory Council on Developing Institutions left intact with their representation on the Council in proportion to their set-aside in the legislation (House Hearings, July 25, 1979). Another issue of concern in the July 25, 1979, House Hearings was the administration's proposal to eliminate accreditation as a statutory requirement for institutional eligibility for Higher Educa-

tion Act programs. The Council on Post-secondary Accreditation advocated that public funds should go to institutions who had gone through (and periodically subjected to) an accreditation review. Michael O'Keefe, representing HEW, argued that accrediting agencies were not the appropriate mechanisms for determining which institutions should receive federal funds and questioned the dubious effectiveness of accreditation procedures.

As of this writing, the Senate Committee Bill (S. 1839) is undergoing its preliminary debates in Congress. Of major concern are provisions that affect all two-year Title III institutions. Senator Donald Stewart (Alabama) prepared amendments which speak to these concerns. The Council of Developing Institutions support Senator Stewart's amendments and have urged other two-year college representatives to write letters to their senators supporting these amendments. A summary of these amendments are included in Appendix B.

The history of Title III funding offers little evidence that the original problem, how the federal government could financially support Black colleges to improve seriously deficient education for Negroes, has been solved. Black colleges, 15 years later claim that they are still financially unstable (Higher Education Daily, August 29, 1979: 5). The initial means to foster advancement and innovation at these colleges has now been recognized more as a failure than a

success, with the administration abolishing the requirement of cooperative arrangements in order to receive Title III funding. The original intent and direction of the program is cloudy. Congresspeople question that they can find no tangible evidence in writing that states that Title III funds were to go to primarily Black colleges. The focus of the measure now appears to be more to help colleges with a high percentage of minority students and less to help predominantly Black institutions. Politically and administratively, however, the prevailing ambiguity of what a "developing institution" really is and when an institution has stopped "developing" may do more to help Black colleges than any other institutions. Since the program's inception, the staff has always been predominantly Black, and the Carter administration, apparently in an effort to muster support during a presidential election year, has made it a point to emphasize the President's support for Black colleges. It would be very interesting to see how this measure favors under a Republican administration, if elected. However, the political pressures from other minorities, particularly Hispanics and Native Americans, could sway Congress to cut back on aid to Black colleges through an increased set-aside for community colleges where the two latter groups are most predominant.

At best, the "success"-"failure" ratio of Title III seems to offer evidence that a piece of legislation can be

affected by political, economic and social constraints. During the 15 years of operation, Title III legislation has been affected by dominant themes in four phases:

(1) Early 1960s--An emphasis on societal reform through Civil Rights and educational opportunity; trend towards egalitarianism begins. Blacks are the dominant minority.

(2) Mid and late 1960s--Egalitarianism firmly entrenched; equal opportunity is matched with access, i.e., expansion of colleges. Other minorities (Hispanics, Indians, etc.) and women begin to establish viable political clout.

(3) Early 1970s--The War in Viet-Nam and student campus unrest supplement the issues of minorities, but the spotlight is on the war. Career education takes on momentum.

(4) Late 1970s--Minorities, other than Black, increase political clout and demand a bigger share of the pie. Higher education is hit by financial constraints and declining enrollments.

What is the future of Title III? Obviously, the prevailing political, social and economic mood will constitute major determinants for the provision's future success or failure. Administratively, however, improvements can

be made. Responding to this issue, Joseph Cosand stated:

> I think it should not continue if it's for operational monies. . . . As long as it's really improving instruction, and maybe during the 1980s you need it more than ever, with the change in the student mix. Maybe you need it for colleges that aren't going to be able to cope, without some developing money. I would like to see it continue, so long as it's not for operational costs; it's not for affluent institutions; it is for those institutions that are where they're getting undereducated students like community colleges, in urban areas in particular, and also where they're enrolling a large number of minorities who have been deprived and colleges haven't taken care of them properly (Cosand, 1980).

Title III, examined in a broad perspective, can certainly be judged with having marginal success. But if Title III funds are removed, what is the alternative? Certainly, more publicity should be given to the positive results of this provision, of which the author was able to find very few. As for Cosand's comments, one tends to agree.

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TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

AUTHORIZATION

SEC. 301. (a) The Commissioner shall carry out a program of special assistance to strengthen the academic quality of developing institutions which have the desire and potential to make a substantial contribution to the higher education resources of the Nation but which are struggling for survival and are isolated from the main currents of academic life.

(b) (1) For the purpose of carrying out this title, there are authorized to be appropriated $120,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to July 1, 1975.

(2) Of the sums appropriated pursuant to this subsection for any fiscal year, 76 per centum shall be available only for carrying out the provisions of this title with respect to developing institutions which plan to award one or more bachelor's degrees during such year.

(3) The remainder of the sums so appropriated shall be available only for carrying out the provisions of this title with respect to developing institutions which do not plan to award such a degree during such year.

(20 U.S.C. 1051) Enacted June 23, 1972, P.L. 92-318, Title I, sec. 121(a), 86 Stat. 241.

ELIGIBILITY FOR SPECIAL ASSISTANCE

SEC. 302. (a) (1) For the purposes of this title, the term "developing institution" means an institution of higher education in any State which—

(A) is legally authorized to provide, and provides within the State, an educational program for which it awards a bachelor's degree, or is a junior or community college;

(B) is accredited by a nationally recognized accrediting agency or association determined by the Commissioner to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

(C) except as is provided in paragraph (2), has met the requirement of clauses (A) and (B) during the five academic years preceding the academic year for which it seeks assistance under this title; and

(D) meets such other requirements as the Commissioner shall prescribe by regulation, which requirements shall include at least a determination that the institution—

(i) is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services; and

(ii) is, for financial or other reasons, struggling for survival and isolated from the main currents of academic life.

(2) The Commissioner is authorized to waive the requirements set forth in clause (C) of paragraph (1) in the case of applications for grants under this title by institutions located on or near an

Indian reservation or a substantial population of Indians if the Commissioner determines such action will increase higher education for Indians, except that such grants may not involve an expenditure of funds in excess of 1.4 per centum of the sums appropriated pursuant to this title for any fiscal year.

(b) Any institution desiring special assistance under the provisions of this title shall submit an application for eligibility to the Commissioner at such time, in such form, and containing such information, as may be necessary to enable the Commissioner to evaluate the need of the applicant for such assistance and to determine its eligibility to be a developing institution for the purposes of this title. The Commissioner shall approve any application for eligibility under this subsection which indicates that the applicant is a developing institution meeting the requirements set forth in subsection (a).

(c) For the purposes of clause (A) of paragraph (1) of subsection (a) of this section, the term "junior or community college" means an institution of higher education—

(1) which does not provide an educational program for which it awards a bachelor's degree (or an equivalent degree);

(2) which admits as regular students only persons having a certificate of graduation from a school providing secondary education (or the recognized equivalent of such a certificate); and

(3) which does—

(A) provide an educational program of not less than two years which is acceptable for full credit toward such a degree, or

(B) offer a two-year program in engineering, mathematics, or the physical or biological sciences, which program is designed to prepare a student to work as a technician and at the semiprofessional level in engineering, scientific, or other technological fields, which fields require the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

(20 U.S.C. 1052) Enacted June 23, 1972, P.L. 92-318, Title I, sec. 121(a), 86 Stat. 241, 242.

ADVISORY COUNCIL ON DEVELOPING INSTITUTIONS

SEC. 303. (a) There is hereby established an Advisory Council on Developing Institutions (in this title referred to as the "Council") consisting of nine members appointed by the Commissioner with the approval of the Secretary.

(b) The Council shall, with respect to the program authorized by this title, carry out the duties and functions specified by part C of the General Education Provisions Act and, in particular, it shall assist the Commissioner—

(1) in identifying developing institutions through which the purposes of this title may be achieved; and

(2) in establishing the priorities and criteria to be used in making grants under section 304(a).

(20 U.S.C. 1053) Enacted June 23, 1972, P.L. 92-318, Title I, sec. 121(a), 86 Stat. 242, 243.

USES OF FUNDS: COOPERATIVE ARRANGEMENTS, NATIONAL TEACHING FELLOWSHIP, AND PROFESSORS EMERITUS

SEC. 304. (a) The Commissioner is authorized to make grants and awards, in accordance with the provisions of this title, for the purpose of strengthening developing institutions. Such grants and awards shall be used solely for the purposes set forth in subsection (b).

(b) Funds appropriated pursuant to section 301(b) shall be available for—

(1) grants to institutions of higher education to pay part of the cost of planning, developing, and carrying out cooperative arrangements between developing institutions and other institutions of higher education, and between developing institutions and other organizations, agencies, and business entities, which show promise as effective measures for strengthening the academic program and the administrative capacity of developing institutions, including such projects and activities as—

(A) exchange of faculty or students, including arrangements for bringing visiting scholars to developing institutions,

(B) faculty and administration improvement programs, utilizing training, education (including fellowships leading to advanced degrees), internships, research participation, and other means,

(C) introduction of new curricula and curricular materials,

(D) development and operation of cooperative education programs involving alternate periods of academic study and business or public employment, and

(E) joint use of facilities such as libraries or laboratories, including necessary books, materials, and equipment;

(2) National Teaching Fellowships to be awarded by the Commissioner to highly qualified graduate students and junior faculty members of institutions of higher education for teaching at developing institutions; and

(3) Professors Emeritus Grants to be awarded by the Commissioner to professors retired from active service at institutions of higher education to encourage them to teach or to conduct research at developing institutions.

(c)(1) An application for assistance for the purposes described in subsection (b)(1) shall be approved only if it—

(A) sets forth a program for carrying out one or more of the activities described in subsection (b)(1), and sets forth such policies and procedures for the administration of the program as will insure the proper and efficient operation of the program and the accomplishment of the purposes of this title;

(B) sets forth such policies and procedures as will insure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds be made available for the purposes of the activities described in subsection (b)(1), and in no case supplant such funds;

(C) sets forth policies and procedures for the evaluation of the effectiveness of the project or activity in accomplishing its purpose;

(D) provides for such fiscal control and fund accounting procedures as may be necessary to insure proper disbursement of and accounting for funds made available under this title to the applicant; and

(E) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this title, and for keeping such records and affording such access thereto, as he may find necessary to assure the correctness and verification of such reports.

The Commissioner shall, after consultation with the Council, establish by regulation criteria as to eligible expenditures for which funds from grants for cooperative arrangements under clause (1) of subsection (b) may be used, which criteria shall be so designed as to prevent the use of such funds for purposes not necessary to the achievement of the purposes for which the grant is made.

(2)(A) Applications for awards described in clauses (2) and (3) of subsection (b) may be approved only upon a finding by the Commissioner that the program of teaching or research set forth therein is reasonable in the light of the qualifications of the applicant and of the educational needs of the institution at which the applicant intends to teach.

(B) No application for a National Teaching Fellowship or a Professors Emeritus Grant shall be approved for an award of such a fellowship or grant for a period exceeding two academic years, except that the award of a Professors Emeritus Grant may be for such period, in adidtion to such two-year period of award, as the Commissioner, upon the advice of the Council, may determine in accordance with policies of the Commissioner set forth in regulations.

(C) Each person awarded a National Teaching Fellowship or a Professors Emeritus Grant shall receive a stipend for each academic year of teaching (or, in the case of a recipient of a Professors Emeritus Grant, research) as determined by the Commissioner upon the advice of the Council, plus an additional allowance for each such year for each dependent of such person. In the case of National Teaching Fellowships, such allowance may not exceed $7,500, plus $400 for each dependent.

(20 U.S.C. 1054) Enacted June 23, 1972, P.L. 92-318, title I, sec. 121(a), 86 Stat. 243, 244.

ASSISTANCE TO DEVELOPING INSTITUTIONS UNDER OTHER PROGRAMS

SEC. 305. (a) Each institution which the Commissioner determines meets the criteria set forth in section 302(a) shall be eligible for waivers in accordance with subsection (b).

(b)(1) Subject to, and in accordance with, regulations promulgated for the purpose of this section, in the case of any application by a developing institution for assistance under any programs specified in paragraph (2), the Commission is authorized, if such application is otherwise approvable, to waive any requirement for a non-Federal

share of the cost of the program or project, or, to the extent not inconsistent with other law, to give, or require to be given, priority consideration of the application in relation to applications from institutions which are not developing institutions.

(2) The provisions of this section shall apply to any program authorized by title II, IV, VI, or VII of this Act.

(c) The Commissioner shall not waive, under subsection (b), the non-Federal share requirement for any program for applications which, if approved, would require the expenditure of more than 10 per centum of the appropriations for the program for any fiscal year.

(20 U.S.C. 1055) Enacted June 23, 1972, P.L. 92-318, title I, sec. 121(a), 86 Stat. 244.

LIMITATION

SEC. 306. None of the funds appropriated pursuant to section 301 (b) (1) shall be used for a school or department of divinity or for any religious worship or sectarian activity.

(20 U.S.C. 1056) Enacted June 23, 1972, P.L. 92-318, title I, sec. 121(a), 86 Stat. 245.

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

STATEMENT OF PURPOSE; PROGRAM AUTHORIZATION

SEC. 401. (a) It is the purpose of this part, to assist in making available the benefits of postsecondary education to qualified students in institutions of higher education by—

(1) providing basic educational opportunity grants (hereinafter referred to as "basic grants") to all eligible students;

(2) providing supplemental educational opportunity grants (hereinafter referred to as "supplemental grants") to those students of exceptional need who, for lack of such a grant, would be unable to obtain the benefits of a postsecondary education;

(3) providing for payments to the States to assist them in making financial aid available to such students;

(4) providing for special programs and projects designed (A) to identify and encourage qualified youths with financial or cultural need with a potential for postsecondary education, (B) to prepare students from low-income families for postsecondary education, and (C) to provide remedial (including remedial language study) and other services to students; and

(5) providing assistance to institutions of higher education.

(b) The Commissioner shall, in accordance with subparts 1, 2, 3, 4 and 5, carry out programs to achieve the purposes of this part.

(20 U.S.C. 1070) Enacted June 23, 1972, P.L. 92-318, sec. 131(b)(1), 86 Stat. 247-248; amended June 23, 1972, P.L. 92-318, sec. 1001(c), 86 Stat. 381.

APPENDIX B

TITLE III

COUNCIL OF DEVELOPING INSTITUTIONS

CURRENT LAW

STRENGTHENING DEVELOPING INSTITUTIONS

Purpose: To provide special assistance to strengthen the academic quality of developing institutions which have the desire and potential to make a substantial contribution to the higher education resources of the Nation but which are struggling for survival and are isolated from the main currents of academic life.

Eligibility: Institution - (1) legally authorized to provide, and provides, an educational program for which it awards a bachelor's degree, or is a junior or community college; (2) is accredited or is making reasonable progress toward becoming accredited; and (3) except with waivers for American Indian and Spanish-speaking, must have met the first two requirements for at least five academic years.

Be A "developing institution" - (1) is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services; and (2) is, for financial or other reasons, struggling for survival and isolated from the main currents of academic life.

Such institutions are defined and quantified by present regulations as institutions which enroll substantial percentages of students from low-income families and which have low average expenditures, per FTE students, in comparison with those which offer similar instruction.

STEWART AMENDMENT

STRENGTHENING DEVELOPING INSTITUTIONS

Purpose: Provides a program to improve the academic quality, institutional management and fiscal stability of developing institutions in order to increase their self-sufficiency and strengthen their capacity to make a substantial contribution to the higher education resources of the Nation.

Eligibility: Institution - (1) legally authorized to provide an educational program for which it awards a bachelor's degree or is a junior of community college; (2) accredited or making reasonable progress; and (3) except with waivers applying to institutions serving American Indians, Spanish-speaking or low-income (particularly those in rural areas) and historically black colleges must have met the first two requirements for five academic years.

Be a "developing institution" - an institution (1) the enrollment of which includes a substantial percentage of students from low-income families, and (2) the average expenditures of which are low, per FTE students, in comparison with the average expenditures of institutions that offer similar instruction. (Secretary may waive the second criterion for institutions when there are factors which distort institutional eligibility, such as small size, location in a high cost-of-living area, etc.)

SENATE COMMITTEE BILL (S. 1839)

PART A: AID TO INSTITUTIONS WITH SPECIAL NEEDS

Purpose: Provides a program of short-term assistance to strengthen the planning, management and fiscal capabilities of institutions with special needs. These institutions face problems relating to management and fiscal operations which threaten their ability to survive and have an inability to engage in long-range planning, recruitment and development activities.

Eligibility: Institution - Same as in Stewart Amendment.

Be an institution with special needs" - (1) have low average general and educational expenditures per FTE student; and (2) have low percentage cost of instruction per FTE student. Must also have an enrollment of more than 100 FTE students.

Other factors describing characteristics of institutions which special needs, e.g., those having a substantial percentage of students receiving need-based Federal student aid, may be taken into account by the Secretary.

TITLE III (cont'd)

COUNCIL OF DEVELOPING INSTITUTIONS

CURRENT LAW	STEWART AMENDMENT	SENATE COMMITTEE BILL (S. 1839)
Duration/Amount of Grants: Federal funds supplement and not supplant non-Federal funds; no specific limitation on amount Duration unspecified except that National Teaching Fellowships and Professors Emeritus Grants, these maybe extended beyond the two ar limitation by the Commissioner on the advice of the Advisory Council.	Duration/Amount of Grnats: Federal funds not to supplant funds from other sources; no specivic limitatations. Duration of grants is 1 - 3 years or 4 - 7 years. Institutions receiving 4 - 7 year grants may not receive subsequent grant under Title III.	Duration/Amount of Grants: Requires that Federal funds not supplant funds from other sources. The Federal share is set at 100% for the first two years which an institution has a grant, 90% for the third year, 80% for the fourth year, and 70% for the fifth year. Grants may be for a period of not more than five years. (Implied restriction to a total of five years of assistance.)
Set-asides: 76% for institutions awarding bachelor's degrees with the remainder to be ed to assist community and junior colleges.	Set-asides: Not less than 30% for junior or community colleges. 25% of appropriation to be used for 4 - 7 year grants.	Set-asides: Not less than 30% of appropriated funds to be used for junior or community colleges. 10% of funds for Part A may be used for Challenge Grant Program.
Other: Authorizes Advisory Council on Developing Institutions.	Other: No Advisory Council authorized.	Other: No Advisory Council authorized.
	In the case of multi-year awards, they must be made out of appropriation for the FY in which the award will be used.	Same as Stewart
Allows waiver of non-Federal share for eligible institutions participating in the programs under Title II, IV, VI, or VII.	Retains such waivers.	Deletes such waivers.
Commissioner approves applications.	Establishes a review committee to make recommendations on grant applications.	Secretary approves applications.
FTE enrollment not defined.	Defines FTE enrollment as a sum of number of students enrolled full time, plus the full time equivalent of of the number of the number of students enrolled part-time (determined on basis of sum of credit hours of all part-time students divided by 12).	Defines FTE as in H.R. 5192 without stipulating how this is to be determined.
Does not contain this part.	Does not contain this part.	Part B: Assistance to Institutions Enrolling Substantial Percentages of Disadvantaged Students

TITLE III (cont'd)

COUNCIL OF DEVELOPING INSTITUTIONS

CURRENT LAW	STEWART AMENDMENT	SENATE COMMITTEE BILL (S. 1839)
Program/Activities Supported: Grants to institutions of higher education to pay part of the cost of planning, developing and carrying out cooperative arrangements between developing institutions and other institutions of higher education, other organizations, agencies and business entities, which show promise as effective measures for strengthening the academic and administrative programs of developing institutions, including such activities as: exchanges of students and faculty; faculty and administrative improvement programs, introduction of new curricula and curricular materials, development of cooperative education programs, joint use of facilities; and National Teaching Fellowships and Professor Emeritus Grants.	Program/Activities to be Supported: Grants may be made to assist institutions to plan, develop or implement activities that promise to strengthen the institutions, with special consideration to be given to: proposals for faculty development, funds and administrative management, improvement of academic programs, equipment for the two preceding purposes, joint use of facilities, and student services.	Program/Activities to be supported: Grants may be made for planning, developing or implementing one or more of the following activities: faculty development, funds and administrative management, development and improvement of academic programs, acquisition of equipment for strengthening funds management and academic programs, joint use of facilities, student services. Grants may also be made to encourage cooperative arrangements between eligible institutions and priority it to be given to these applications.
Challenge Grants: Not authorized.	Challenge Grants: Authorizes program, but authorizations for the program increase form $25 million in FY 1982 to $50 million FY 1985. Requires announcement of awards by April 1 of preceding FY. Preference to be given to institutions receiving 4-7 year grants.	Challenge Grants: Authorizes 10% of the appropriation for Title III-A to be used for this program, requiring matching by institutions and allowing support of graduate programs. Requires announcement of awards as in Stewart Amendment, and gives preference to institutions receiving assistance under Title III-A.
Authorization: $120 million for FY 1980.	Authorization: $140 million in FY 1981, increasing to $200 million in FY 1985, for the regular program. $25 million for the Challenge Grants program in FY 1982, increasing to $50 million in FY 1985.	Authorization: 50% of total funds appropriated for the Title are to be used for programs in this Part. Total Title III authorization is: $161 million for FY 1981, $185 million for FY 1982, $213 million for FY 1983, $245 million for FY 1984 and @385 million for FY 1985. Ten percent of the funds appropriated for Part A can be used for the Challenge Grants program.

TITLE III (cont'd)

COUNCIL OF DEVELOPING INSTITUTIONS

CURRENT LAW

STEWART AMENDMENT

SENATE COMMITTEE BILL (S. 1839)

Purpose: Provides a program of continuing Federal assistance to institutions of higher education enrolling substantial percentages of students from low-income families.

Eligibility: Institution (see Section 1201) - (1) legally authorized to provide an educational program for which it awards a bachelor's degree or provides a two-year program acceptable for full credit toward such a degree; (2) accredited or making reasonable progress.

Be an institution - (1) the enrollment of which includes a substantial percentage of students from low-income families, and (2) the average expenditures of which are low for full-time equivalent students in comparison with the average expenditures of institutions that offer similar instruction.

Authorization: 50% of funds appropriated for Title. (See above)

Set-asides: Not less than 30% of appropriated funds to be available to eligible junior or community colleges.

Duration of Grants: Continuing

Activities to be supported: Funds are to be used to defray instructional expenditures and academic related programs of the institutions.

Amount of Grants: Determined as same ratio

TITLE III (cont'd)

COUNCIL OF DEVELOPING INSTITUTIONS

CURRENT LAW

STEWART AMENDMENT

SENATE COMMITTEE BILL (S. 1839)

to amount appropriated for program as ratio of its eligibility factor to the sum of factors of all participating institutions. The factor to be based on -- (1) percentage of students from low-income families; (2) average expenditures per FTE student; (3) amount of funds from other sources available to the institution; and, (4) the institution's relative effort in providing student financial assistance from institutional sources.

Other: Is basically an entitlement program for eligible institutions.

FTE enrollment defined as in Part A.

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